

# **EXHIBIT 162**

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Global Partnerships, Publisher Solutions &amp; Innovation

# Header Bidding Observatory #1



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## In Summary: Pros and Cons of Header Bidding

### Pros

- **Revenues**
  - Publisher has a **better chance** of getting paid what a buyer is actually **willing to pay**
  - The mediation network sees **100%** of the publisher's inventory so can **pick** the highest paying impressions and header bid on them
  - SSPs 'compete' against each other rather than be called in a waterfall
- **Vs. Passbacks (waterfall)**
  - No network passback needed (since impression is preselected), so ad serving cost is paid once
  - Only one AdX callout needed to compete with all header bidder line items
- **Multiple SSPs integration**
  - Header bidding makes that a lot easier since you can plug them in rather than have a crazy tiered setup with loads of passbacks

### Cons

- **Increased latency** - especially in mobile and video = decreased user experience, viewability, CTR; Timeouts on HB exchanges significantly higher than DRX
- If a demand partner fails it can block a publisher's site from loading
- **Operational complexity** - Thousands of line items need to be created and managed in order to accommodate possible responses from the SSPs
- **Loss of forecasting integrity in your adserver**
- **Data security/leakage** - You are giving the SSP network 100% visibility of your data, even before you get to see it **and the ability for buyers to cookie users even if they don't win the impression**
- **Eventual loss of advertiser trust in RTB auctions** - header bidding can make buyers bid against themselves running 2 auctions for every impression
- **Loss of creative management abilities.**
- **Significant discrepancies** between HB and DFP reports leading to difficult reporting reconciliation **and risk of bid fraud**
- **Troubleshooting complexity** - will require IT assistance beyond the Ad Ops team

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